



County of Santa Cruz

PLANNING DEPARTMENT

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ALVIN D. JAMES, DIRECTOR

October 14, 1999

Agenda: October 19, 1999

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, California 95060

SUBJECT: Proposed Amendment of the Housing Element

Members of the Board:

As you know, over the years your Board directed staff to work with the California Department of Housing and Community Development (HCD) in an effort to obtain certification of the Housing Element of the County's General Plan. We are pleased to report that for the first time the County has reached a tentative agreement with HCD and we are now poised to obtain HCD's certification and thus be able to compete for \$3.87 million annually in much needed housing and community development funds.

The agreement with HCD is the culmination of over five years of negotiating with HCD to secure the Department's certification of the Housing Element. The County has been negotiating with HCD since the current Housing Element was adopted by your Board on May 24, 1994. Based on potential changes explored during these discussions, HCD provided the County a conditional certification letter on April 23, 1999. If your Board adopts these changes as amendments to the existing Housing Element, HCD will certify the County's Housing Element.¹ We are meeting with HCD on October 14, 1999 to further discuss this matter and will update your Board on the outcome of this meeting as part of our presentation at your October 19, 1999 meeting.

¹ The draft amended Housing Element is on file with the Clerk of the Board and was distributed to individual members of your Board under separate cover. The only recommended amendments to the Housing Element are those sections of the document that are either italicized (additions) or in ~~strike-out~~ (deletions) type. Everything else in the document is unchanged from what your Board adopted on May 24, 1994.

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With this report, we ask that your Board begin the formal process to consider amendments to the existing 1994 Housing Element to secure HCD's certification. The amendments that are needed to secure HCD's certification are considered by staff to be minor changes in the County's housing policies and programs. The Planning Department anticipates that it will begin a comprehensive updating of the County's Housing Element during FY 2000-2001 for adoption by June 30, 2002. The amendments that are recommended at this time are discussed in this report and its attachments. Adopting these amendments will bring the County into compliance with State law and give the County, its residents and its businesses the ability to compete for nearly \$4 million in state housing, community development and economic development funds annually. Of course, your Board must review and approve all projects and grant applications for these funds.

Following environmental review and consideration by both the Housing Advisory Commission and Planning Commission, this matter will be returned to your Board with the Commissions' recommendations and a resolution for your action

BACKGROUND

The Housing Element is a State-mandated element of the General Plan of the County of Santa Cruz.² Housing elements are policy documents that are intended to guide the local jurisdiction in addressing the housing needs of the current and anticipated residents of the community. It describes housing conditions within the local jurisdiction, such as the type, age and condition of the housing stock, and projects relatively short-term housing needs. It also analyzes existing resources, opportunities and constraints that will influence whether the identified housing needs can be met.

Of the general plan's seven mandated elements, the housing element is the only one that is evaluated and "approved" by the State. The housing element is also the most highly regulated in terms of its required content, State law dictates specific information and analyses that must be included in every local housing element. State law also specifies which projections of housing need must be used and sets the deadlines for adopting updates to the local housing element.

In addition, State law requires local jurisdictions to submit their housing element to the California Department of Housing and Community Development (HCD) prior to its adoption by local elected officials. Based on its review, HCD either certifies or rejects the housing element. This certification process is based both on objective and subjective criteria. HCD's certification of an individual housing element can be relied on as evidence that the Housing Element satisfies State law.

Failure to have a "certified" housing element has many implications. Since the housing element is part of the local general plan, the jurisdiction's entire general plan can be

² In an attempt to add clarity to this report, the terms "housing element" and "general plan" are capitalized if they refer to Santa Cruz County's Housing Element and General Plan. The terms are not capitalized when they refer to housing elements and general plans in general.

challenged as being inadequate. The lack of an adequate general plan has resulted in some jurisdictions losing their ability to locally control the building permit process. Furthermore, the jurisdiction is unable to secure various State housing and community development funds.³

HISTORY

Santa Cruz County adopted its current Housing Element on May 24, 1994 as part of the adoption of the 1994 General Plan and Local Coastal Program. HCD claimed that the adopted Housing Element failed to comply with State law and consequently refused to certify the document. At that time, HCD did not identify what changes would be required to make the Housing Element eligible for certification.

The County has maintained an ongoing dialog and negotiations with representatives of HCD since that time. On a number of occasions during this period the Board of Supervisors has adopted housing-related programs and policies and authorized staff to pursue proposals with HCD with the objective of satisfying that agency's concerns.

Programs and policies, plus minor editing and updated information were incorporated into a discussion draft Housing Element which was submitted to HCD in October 1998. After further negotiation and the submission of supplemental material, HCD finally concluded that the County's Housing Element would be in compliance if it was amended to include all of the changes discussed by the County. On April 23, 1999, HCD sent the County a "conditional approval" which indicates that they would certify an amended Housing Element that incorporates all of these changes. This letter is included as Attachment 2 to this letter.

NATURE OF THE PROPOSED CHANGES

The Planning Department has incorporated the changes that we believe are needed to secure HCD's certification of the draft amended Housing Element. We believe that this document accurately reflects both the Board's direction and the previous commitments made by the Board during our long negotiations with HCD. The changes from the current Housing Element can be classified as follows:

1. Editorial changes including the addition of information and/or documentation concerning changes in the housing market and affordable housing stock and the County's achievements since the current Housing Element was adopted in 1994, plus changes in terminology⁴ and verb tenses,

³ Presently, Santa Cruz County is unable to compete for \$3.87 million in State housing and community development funds. A report that summarizes the various programs and identifies the eligible uses for their funds is included as Attachment 1.

⁴ For example, one of the most frequent changes is the replacement of the terms "accessory dwelling units" and "affordable second dwelling units" with the term "second units" to be consistent with the name change authorized by the Board of Supervisors in 1998.

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2. Programs and policies that have been formally adopted by the Board of Supervisors and implemented by the County,
3. Programs and policies that have been adopted or approved in concept by the Board of Supervisors and which are or will be under development by the County,
4. Programs and policies that are based on direction given by the Board of Supervisors, but which have not received specific approval, and
5. The three new policies that are important to HCD, but have not been reviewed or approved by the Board of Supervisors. These new policies are described below.

The proposed changes to the County's Housing Element include the Second Unit Ordinance that was adopted and implemented in 1997. Further revisions to the second unit program and policies that are needed to satisfy HCD's concerns are also proposed. Other proposed changes include the liberalization of standards for mixed use development (i.e., commercial plus residential), allowing upgrades and repairs to preserve and extend the life of existing nonconforming residential uses and the conversion of transient occupancy recreational vehicle parks to permanent occupancy⁵.

We believe that the policy changes that are included in the draft document are relatively minor. In fact, the proposed amendments reduce the number of housing units that will be produced by the County's theoretical "build-out" by over 2,000 units due to a more accurate analysis of the parcels on which second units can be produced⁶. Nevertheless, in discussions with HCD it is clear that the proposed changes are needed to obtain HCD's approval.

SPECIFIC CHANGES

A chart that identifies the various proposed changes to the Housing Element is included as Attachment 4 to this report. This chart lists HCD's specific requests, the County's responses to HCD's requests and other changes that were initiated by the County. The chart also identifies the location of the individual changes within the draft amended Housing Element.

The three new policies that have not been reviewed by the Board are discussed below. We believe that these policy initiatives are consistent with Board policy and do not constitute a significant change from the County's current policies.

⁵ State law has changed since the County's Housing Element was adopted. We can now include the rehabilitation of substandard housing units when assessing our progress in meeting the regional fair share housing goals. This change in State Law reflects the importance of County initiatives such as the rehabilitation of Murphy's Crossing, the redevelopment of the San Andreas labor housing and the conversion of RV parks to permanent occupancy.

⁶ Attachment 3 compares the number of housing units that will be produced at the County's theoretical "build-out."

1. Reduced Capital Improvement Fees. The draft document proposes that the County reduce capital improvement fees for larger units that are produced under the inclusionary and second units programs. The objective is to encourage the development of larger units by charging the same fees for larger units as for units with the minimum required number of bedrooms. Since the County waived a wider range of fees for affordable housing projects prior to 1995, this initiative is essentially just a partial reinstatement of incentives that the County previously provided rather than a totally new policy.
2. Allowing Modular/Manufactured Homes to be used as Second Units. The County currently allows multi-sectional manufactured homes that meet specific design criteria to be used as primary units. This proposed policy would allow single-wide manufactured homes that meet County design criteria to be used as second units. With the continued evolution of the manufactured housing industry, manufactured homes produced in California are increasingly comparable to site-built homes — many high end models are indistinguishable from custom homes. Since manufactured homes are also less expensive than comparable site-built units, it seems reasonable and appropriate to allow smaller manufactured homes that are well designed to be used as second units.
3. Priority Processing. The County currently provides priority processing for residential projects of five or more units if at least 25% of the units are affordable to lower or moderate income households. Priority processing is not currently available for mixed use projects or second units. This policy would extend priority processing to mixed use developments and to second units. Providing priority processing for these units is consistent with current policy and is an important extension of the current policy because mixed use projects and second units have the potential for producing the greatest number of affordable units for the County in the future.

We also want to highlight the following five policies that have been reviewed and supported by the Board previously.

1. Retaining Existing High Density Zoning. The draft Housing Element states that the County will “(A)dopt a policy retaining the current General Plan designations and zoning for all property currently designated (R-UH, R-UM and RM)”. While this policy supports the development of high density multifamily housing, it is written in a way that will not limit the County’s ability to make individual land use decisions. In fact, HCD accepted the following language as part of this policy: “(T)his proposed policy would not change the existing General Plan policy and the County Zoning Ordinance which allow for single family development on property zoned for multifamily housing.”
2. Exempt Main Units from the Permit Allocation Process When a Second Unit Is Developed Concurrently. HCD is insisting that the County exempt primary units from the annual permit allocation process to increase the production of affordable housing units in the County. Even with this exemption, your Board will continue to have authority to set and adjust the number of permits that are available. The overall allocation has not been reached since the early 1980s.

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This policy is consistent with other bonuses and incentives that the County offers for affordable housing because half of the units that will be produced will be deed restricted affordable units. And since only one second unit will be built at a time, the units will tend to be distributed throughout the County rather than be concentrated in specific areas. Encouraging the two units to be developed together rather than separately will provide tangible benefits for the County and immediate neighbors as well as the owner/developer. The site planning and design for properties where the two units are developed at the same time should be superior to those where the second units are added later because the project will be designed — and reviewed by the Planning Department — as a package. The construction period will be shorter because the two units are built at the same time rather than separately, which will reduce the noise, dust and other construction impacts on the neighbors and the environment.

Various changes will be needed to implement this initiative because the principal residence must currently be owner occupied before the County can approve a second unit. The Planning Department plans to recommend that the owner occupancy requirement be enforced by recording an agreement with this condition against the property prior to the start of construction in much the same way that the resale controls and income limits for Measure J affordable housing units are enforced. This requirement would be in addition to the existing policy which requires a property owner to record a home owners exemption. We will also recommend specific development standards to ensure that the new development has minimal impact on existing development — including an appropriate minimum lot size.

- 3. Incentives for Mixed Use Development that includes Affordable Housing. A number of incentives are proposed for mixed use development including live/work projects. These incentives include the ability to allow three story development (which is already allowed for affordable housing), reduced parking requirements, provide priority processing and reduced capital improvement fees in appropriate situations. These policies will allow and encourage mixed use development as a vehicle for increasing the percentage of affordable housing units produced in Santa Cruz County.

Each site and development proposal is unique. Therefore, the Planning Department will develop and recommend amendments to the County Zoning Ordinance for your consideration to add performance-related standards for evaluating individual mixed use development proposals. These standards would take into account the characteristics of the areas surrounding the proposed development and the potential impacts of the available incentives. The standards would be designed to only allow the County to approve those incentives that have a minimal impact on the neighborhood and surrounding properties. At present, the only sections of the Zoning Ordinance that use this performance-related approach are some of the standards for evaluating the impacts of industrial developments.

- 4. Second Unit Model Program Area. As you recall, your Board directed the Planning Department to develop a second unit pilot program for the South County at its December 15, 1998 meeting. This 18-month pilot program is the Model Program

proposed in the Housing Element. The only difference between the Model Program and the County’s existing second unit program is that units produced under the Model Program will not be subject to the County’s affordability and occupancy requirements.

- 5. Second Unit Incentives. All of the other incentives for second units that are outlined in the Housing Element have already been adopted by the Board and implemented. Consequently, most of the “proposed” changes for second units that are included in the Housing Element are to document and take credit for past actions rather than to commit to make significant changes in the future.

As your Board reviews the draft amended Housing Element, it is important to remember that it is a policy document. When and if the Housing Element is amended and certified, your Board will guide the implementation of the amendments to the Housing Element just as you have guided their development. In addition, the implementation of the Housing Element’s programs and policies will be subject to formal public review and approvals, including environmental review and public hearings. Each of the proposed changes must first be approved by your Board as ordinances or formal programs before they can be implemented.

PROPOSED TIMING

The draft amended Housing Element is the product of approximately five years of negotiations with HCD. During most of that period, HCD and the County could not agree on what specific changes were needed to fully satisfy HCD’s concerns. For the first time in five years, the County now has a written commitment from HCD to certify the Housing Element as proposed. We believe that the issues and policies that are included in the draft amended Housing Element do not depart from long-standing Board policies or general Board directions.

Rather than address any additional housing issues at this time, we believe that the next housing element update — which will be due June 30, 2002 — provides a better opportunity to focus on the County’s current and future housing priorities. Having a certified Housing Element in place before the update process begins should place us in a better position to take advantage of that opportunity. With a certified Housing Element we are in a better position to negotiate a fair allocation of regional housing needs and to secure State funds to help pay for the development of new programs and policies.

If your Board adopts the staff recommendation, the draft amended Housing Element will begin the formal review and approval process. It is subject to environmental review and review by both the Housing Advisory Commission and the Planning Commission. After these reviews, the document will be sent to HCD for its review prior to returning to your Board for final consideration. This process will take approximately six months and perhaps longer. A projected schedule for reviewing and adopting the draft amended Housing Element is included as Attachment 5 of this report.

RECOMMENDATION

It is recommended that your Board take the following actions:

1. Conduct a public hearing on the proposed amendments to the Housing Element of the County General' Plan;
2. Refer this matter to the Housing Advisory Commission for consideration and recommendation to your Board;
3. Refer this matter to the Planning Commission for consideration and recommendation to your Board; and
4. Adopt the Housing Element Review and Approval Schedule as described in Attachment 5.

Respectfully Submitted,

Alvin James
 Alvin D. James *Shee*
 Planning Director

RECOMMENDED:

Susan A. Mauriello
 Susan a. Mauriello
 County Administrative Officer

Attachments:

1. September 1, 1999 Memorandum entitled "Funding Impacts of not having a Certified Housing Element"
2. April 23, 1999 HCD Conditional Certification Letter
3. Comparison of Housing Build-Out Estimates
4. Summary of Changes in Draft Amended Housing Element
5. Projected Housing Element Review and Approval Schedule

COUNTY OF SANTA CRUZ
PLANNING DEPARTMENT
INTER-OFFICE CORRESPONDENCE

DATE: September 1, 1999

TO: Members of the Housing Advisory Commission

FROM: Gerald L. Rioux, Housing Program Manager *Jerry*

SUBJECT: Funding Impacts of not having a Certified Housing Element

A number of people have asked me about the impact that not having a certified Housing Element¹ has on the ability of Santa Cruz County to obtain various housing, community development and economic development funds.

At this time, the lack of a certified Housing Element deprives the County, its residents and local businesses from participating in and receiving funding under two programs of the California Department of Housing and Community Development (HCD) -the HOME Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG) program*. HOME and CDBG are both Federal programs that are administered by HCD. In addition, a new program of the California Housing Finance Agency (CHFA) — Housing Enabled by Local Partnerships or HELP — requires a Housing Element that is in conformance with state law. HELP is funded from the Agency's reserves.

In the past, the status of a jurisdiction's Housing Element had an even greater impact on funding because HCD had more actively funded programs. I anticipate that the Housing Element's importance will increase in the future. The state's 1999-2000 budget includes the first funding increases for HCD programs in many years. The

¹ The Housing Element is one of the mandated elements of the County's General Plan. A certified Housing Element is one that meets both 1) the statutory requirements set forth in state general plan law and 2) the requirements set forth in the Housing Element Guidelines of the California Department of Housing and Community Development (HCD) and has also been reviewed and found to be in compliance with both the statutes and guidelines by HCD.

The County has been negotiating with HCD for more than four years to secure HCD's approval of our Housing Element. At this time, HCD has indicated that an amended Housing Element that includes changes that were prepared at the direction of the Board of Supervisors would satisfy the requirements for certification. These changes have been incorporated into a draft amended Housing Element that will be forwarded to the Board of Supervisors shortly. If the Board concurs that the changes accurately reflect their direction and commitments to HCD and proceeds with the formal adoption process in September, an amended Housing Element could be adopted by March 2000 and be certified by HCD for the FY2000-2001 HOME and CDBG funding cycles.

² While a certified Housing Element is not required to be eligible for HOME funds, HCD awards 10% of the available points in its rating and ranking system to jurisdictions that have a certified Housing Element. Because of how small the point spread is among the funded applications, jurisdictions that do not have a certified Housing Element are unable to compete for funds. Compliance with Housing Element law is a threshold requirement to be eligible for CDBG funding.

Housing Advisory Commission
September 1, 1999
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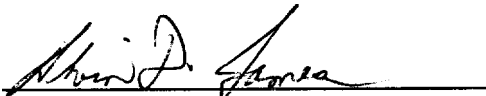
status of a jurisdiction's Housing Element is likely to be a factor in awarding funds under any new State housing program.

The wide range of activities that can currently be funded by the HOME, CDBG and HELP programs is summarized in the attached table. These funds can be used to supplement and increase the impact of the County's limited redevelopment housing set-aside funds. HCD funds can also be used to support new activities that are consistent with County housing and community development policies, including preserving existing affordable housing, rehabilitating substandard homes and rental units, first time home buyer assistance, rental assistance, resident purchases of mobile home parks and upgrading the public infrastructure in lower income neighborhoods. HOME and CDBG are grants to the county and any funds that are repaid or recaptured by the County can be reused for other eligible activities. HELP funds are loaned at 3% interest and must be repaid at the end of 10 years. The Board of Supervisors will have control over the use of these funds because HCD and CHFA require that each application must be approved by the Board to be eligible for funding.

As can be seen from the attached table, the County is currently unable to compete for nearly \$4 million per year in housing, community development and economic development funds because our Housing Element is not certified. Based on my experience both as an affordable housing consultant and a program manager at HCD, Santa Cruz County should be able to secure perhaps half of the funds available annually based on 1) the County's housing needs, 2) the availability of local matching funds from the RDA and 3) the high caliber and experience of the County's staff.

I will keep the Commission informed about the status of the County's Housing Element and state funding for housing and community development.

Approved:



Alvin D. James
Planning Director

attachment

State Housing, Community Development and Economic Development Programs That Require Housing Element Compliance or Certification

Program Name	Eligible Activities *	Funding Cycle	Potential County Funding
HOME Investment Partnership Program (HOME)			
HOME - General Program**	acquisition, development, rehabilitation and financing of either rental or ownership housing, including first time home buyer programs, second units, resident owned mobile home parks; rental assistance	applications due each Fall	\$1 ,000,000
Community Development Block Grant (CDBG)			
CDBG - General Program ***	housing rehab, first time home buyer programs, infrastructure improvements, community facilities, some community services	applications due each April	\$500,000
CDBG - General Technical Assistance Grants	research, planning, program development and project feasibility analysis for housing and community development projects (including preparing funding applications)	Over the counter	\$35,000
CDBG - Economic Development Program ***	business attraction and retention activities; business or commercial development and/or revitalization; economic development-related infrastructure improvements	Over the counter	\$500,000
CDBG - California Community Economic Enterprise Fund ***	capitalization of a revolving loan fund for local businesses - revolving funds typically offer loans for working capital, revolving lines of credit, equipment, renovations, etc.	applications due each Sept	\$500,000
CDBG - Economic Development Technical Assistance Grants	research, planning, program development and project feasibility analysis for economic development projects (including preparing funding applications)	Over the counter	\$35,000
Housing Enabled by Local Partnerships (HELP)			
HELP	acquisition, development, rehabilitation and financing of either rental or ownership housing, including first time home buyer programs, second units, resident owned mobile home parks	Fall and Spring of each year	\$2,000,000
Average potential annual funding		\$3,870,000	
Housing and community development funding including related infrastructure, plus community services		\$3,335,000 to \$3,535,000	
Economic development funding		\$335,000 to \$535,000	

- * The County Board of Supervisors must first review and approve each application for HOME, CDBG or HELP funds before HCD or CHFA will consider the application for funding.
- ** The HOME program include a 15% set-aside for nonprofit corporations that have received CHDO (Community Housing Development Organization) certification from HCD. CHDOs can apply directly HCD for HOME funds. CHDOs have a minimal impact on the availability of HOME funds for local jurisdictions.
- *** The combined maximum annual funding under the CDBG General, Economic Development and Enterprise Fund programs is \$800,000. CDBG can, however, make a two-year award of up to \$1 million for projects that require this level of funding in order to be feasible.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of Housing Policy Development
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April 23, 1999

Mr. Alvin D. James, Planning Director
County of Santa Cruz
701 Ocean Street, 4th Floor
Santa Cruz, California 95060

Dear Mr. James:

Re: Review of Santa Cruz County's Revised Draft Housing Element Update

Thank you for submitting Santa Cruz County's revised draft housing element update and subsequent revision, received for review on October 8, 1998 and by facsimile transmission on March 11, 1999, respectively. As you know we are required to review draft housing elements and report our findings to the locality pursuant to Government Code Section 65585(b). We have also reviewed third party comments pursuant to Government Code Section 65585(c).

Telephone conversations with Ms. Glenda Hill and Mr. Erik Shapiro, of your staff, on November 17, 1998 and the meeting with you and your staff on January 20, 1999, facilitated our review. This letter summarizes the conclusions of that meeting, our discussions and our review.

The revised draft housing element, including the March 1999 revision, now includes the interim proposed revisions agreed upon since our review of the 1995 element and some of the specific concerns cited in our November 4, 1997 review letter and January 1999 meeting. The County's element identifies mixed use development and second units as the major providers of sites for the development of housing affordable to lower-income households during the remaining planning period. As you know, the Department has serious reservations that these programs can facilitate the development of needed affordable housing commensurate with the County's remaining need.

Further, your March 11 submittal (Table 6.3) includes units that there is no basis for including. For example, the County must include more information about how it will comply with the specific requirements of AB 438 prior to receiving credit for those units; there is no basis for assuming such a high level of density bonus units; and finally the second unit and mixed USC

Mr. Alvin D. James, Planning Director
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assumptions seem unusually high. These assumptions would be unnecessary if, given the amount of single family residential land available, the County rezoned enough of this land for higher density development.

However, the housing element shows much greater County commitment to implement these and other programs to assist in the development of housing and remove, or mitigate governmental constraints. For example, the County has successfully assisted in the development of several hundred housing units affordable to lower-income households and has made considerable progress in revising the second unit ordinance and the mixed use program. The County may be correct in assuming the housing programs will accommodate the needs of lower-income households. Therefore, rather than dismiss the program potential outright, we will conditionally approve the County's housing element. The County should submit to the Department with its annual general plan implementation report (Government Code Section 65400), a progress report on providing lower income opportunities through mixed USC and second units. Should those annual reports not demonstrate sufficient progress in accommodating the County's share of the regional housing need for lower income households, the element will have to be amended to identify more appropriate sites.

We enjoyed our meeting with you and thank you for the tour of the County. We look forward to receiving the County's adopted housing element and following your progress in the annual implementation reports- We thank Ms. Hill for her cooperation. If you have any questions or would like assistance, please contact Camilla Cleary, of our staff, at (916) 323-3185.

In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,



Cathy E. Creswell
Acting Deputy Director

Mr. Alvin D. James, Planning Director
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cc: Kathleen Mikkelson, Deputy Attorney General
Gregg McKenzie, Governor's Office of Planning and Research
Juan Acosta, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Wiener, California Coalition for Rural Housing
The Planning Center
Dara Schur, Western Center on Law Poverty
Michael G. Colantuono, Attorney at Law
Michael Rosen

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Comparison of Housing Build-Out Estimates

Type of Development	Adopted 1994 Housing Element	Draft Amended Housing Element	Difference
Urban Areas			
Development on Vacant and Underutilized Parcels	5,316	5,316	0
Residential in Conjunction w/Commercial Development on vacant and Underutilized Parcels	588	2,257	1,669
Units from Bonus Density Development	529	599	70
Second Units (current regulations)	4,373	3,420	(953)
Second Units (model program)*	0	953	953
Rural Areas			
Development on Vacant and Underutilized Parcels	6,699	6,699	0
Residential in Conjunction w/Commercial Development on Vacant and Underutilized Parcels	0	210	210
AB 438 Units	0	134	134
Second Units (current regulations)	11,398	8,956	(2,442)
Second Units (model program)*	0	104	104
Total New Units	30,897	28,648	(2,249)
* The figures listed for the Model Program indicate the potential units that can be produced at the County's theoretical "build-out" for the area in which the Model Program will operate. It is impossible to estimate the number of units that will actually be produced during the 18-month term of the Model Program.			

Summary of Proposed Changes to the Housing Element

HCD Requirements, Responses to HCD and County Initiatives	Location of New Text and/or Policies
Second Units	
HCD: Project the number of second units on vacant and developed sites	New text: pages 4-74,4-87,88; Appendix 22
HCD: Project the number of second units in the Model Program area	New text: page 4-120; Appendix 22
HCD: Reduce the lifetime deed restriction for second units, with at least some units restricted for no longer than ten years SC: The Model Program area was proposed to address this requirement	New text: pages 4-74, 4-115; New policies: pages 4-119, 4-120
HCD: Further streamline screening of prospective tenants for second units SC: After reviewing the current screening method, which takes a maximum of two days, the County believes additional streamlining is not possible	New text: page 4-74; See analysis in Appendix 25
HCD: Reduce level of review of second units below Level IV SC: The County previously reduced the level of review from Level V to Level IV. This level of review is administrative, yet allows for public input. The County is proposing priority processing for these applications, which will reduce the processing time below that of a Level III permit.	New policy: Appendix 24
HCD: Recommend County consider additional incentives or concessions for second units SC: A number of processing and fee concession incentives are proposed	New text: pages 4-62, 4-92, 4-115, 4-119; New policy: pages 4-128, 4-129, 4-137, Appendix 24
SC: Revise ordinance to allow larger second units	Ordinance 4457-A was adopted in 1997. See Appendix 23
SC: Allow modular second units consistent with design standards	New text: page 4-74; New policy: page 4-129
SC: Exempt main units from the permit allocation process when a second unit is developed concurrently	New text: Appendix 24; New policy: page 4-119

HCD: Statements that are preceded by the initials HCD, are information or policy changes that State HCD required as a condition for Housing Element certification.

SC: Statements that are preceded by the initials SC, are either the County's responses to a specific HCD requirements or other changes that the County offered in an effort to secure certification,

Summary of Proposed Changes to the Housing Element

HCD Requirements, Responses to HCD and County Initiatives	Location of New Text and/or Policies
SC: Consider Construction Legalization Program for illegal units — Program completed.	New text: pages 4-80, 4-96 and 97
SC: Fully implement second unit “proactive informational campaign” — A brochure on second units is available. Staff co-sponsored a seminar, in 1997, about second units that was attended by about 50 members of the public	
Mixed Use Development	
HCD: Project potential number of mixed use units for vacant and underdeveloped sites	New text: pages 4-87, 4-88, 4-93, 4-1 15, Appendix 26
HCD: Include discussion of existing and proposed incentives for mixed use projects	New text: page 4-1 15, Appendix 27; New policy: page 4-1 19
HCD: Analyze the feasibility of using existing alternative parking regulations to encourage mixed use projects	New text: Appendix 27
SC: Allow reduced parking for mixed use projects	Current ordinances allow this. See also Appendix 27
SC: Consider reduced transportation fees for mixed use projects	See Appendix 27
SC: Allow third stories for development of affordable mixed uses	See Appendix 27
SC: Allow residential projects to be developed in a separate structure from commercial in a mixed use project	Current ordinances allow this. See also Appendix 27
SC: Allow the residential part of a mixed use project to be constructed prior to the commercial part	Current ordinances allow this. See also Appendix 27
Zoning and Development Incentives/Regulatory Concessions	

HCD: Statements that are preceded by the initials HCD, are information or policy changes that State HCD required as a condition for Housing Element certification.

SC: Statements that are preceded by the initials SC, are either the County's responses to a specific HCD requirements or other changes that the County offered in an effort to secure certification.

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Summary of Proposed Changes to the Housing Element

HCD Requirements, Responses to HCD and County Initiatives	Location of New Text and/or Policies
HCD: Recommend allowing incentives and regulatory concessions for projects providing less than 100% affordable housing	New text: pages 4-63, 4-75, 4-121; New policy: pages 4-118, 4-137, Appendix 27
SC: Consider amending density bonus ordinance to encourage affordable units for larger households	The County has chosen to encourage these units through fee incentives; New policy: page 4-137
SC Provide priority processing at lowest level of review possible for affordable housing — Current ordinances mandate priority processing for projects proposing 25% or more affordable units.	See Appendix 24 for proposed priority processing for second units and Appendix 27 for proposed priority processing for mixed uses
SC Adopt a policy retaining all current R-UH, R-UM and RM designations	New policy: page 4-117
Other Programs and Policies	
SC Redevelopment Agency to enhance its financing program for projects 35%+ affordable, target financing to properties with medium or high density designations, and create an affordable housing fund	New text: page 4-73; New policy: page 4-118
SC Adopt a policy maintaining our commitment to preserve the pending affordable units listed in Table 8.2	All of these projects have been approved
SC: In lieu of the development of affordable housing at O'Neill Ranch, RDA housing fund shall be repaid and the sum committed to other housing projects	RDA funds were repaid and have been reallocated to the proposed 60 unit Vista Verde project
SC Consider adopting an ordinance allowing structural repair of nonconforming residential uses	New policy: page 4-133
SC: Amend regulations to allow nonconforming farmworker housing to be reconstructed and enlarged	Ordinance 4388 adopted in 1995. See Appendix 18; New text: page 4-29; New policy: page 4-135

HCD: Statements that are preceded by the initials HCD, are information or policy changes that State HCD required as a condition for Housing Element certification.

SC: Statements that are preceded by the initials SC, are either the County's responses to a specific HCD requirements or other changes that the County offered in an effort to secure certification.

Summary of Proposed Changes to the Housing Element

HCD Requirements, Responses to HCD and County Initiatives	Location of New Text and/or Policies
<p>SC: Consider and implement to the maximum extent feasible the recommendations of the Farmworker Housing Study</p>	<p>Review of the proper methods to implement these recommendations is ongoing and will continue to be part of the Planning Department's Work Program</p>
<p>SC: Study the feasibility of converting existing RV and travel trailer parks into permanent affordable housing</p>	<p>New text: page 4-20</p>
<p>SC: Request cities and special districts to provide lowered water and sewer hookup fees for affordable units</p>	<p>Request made in 1995. New text: page 4-99</p>

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Projected Housing Element Review and Approval Schedule

Body/Planned Action	Target Date
Board of Supervisors	
Open Public Hearing/Begin Review and Approval Process	Oct. 19, 1999
Housing Advisory Commission	
Study Session	Nov. 3, 1999
Action/Recommendation to Board	Dec. 1, 1999
Environmental Review	
Environmental Coordinator's meeting	Nov. 15, 1999
Close of Public Comment Period	D e c . 22, 1999
Planning Commission	
Public Hearing	Jan. 12, 2000
Recommendation	Jan. 26, 2000
Department of Housing and Community Development	
Pre-adoption review — Finding of conformance	Jan. 31, 2000
Board of Supervisors	
Adoption -Amendment of Housina Element	Mar. 28.2000

note:This schedule assumes that there will be relatively minor changes to the draft amendment Housing Element as proposed. This schedule will need to be extended if the document that is ultimately adopted varies significantly from what is initially proposed.

ON File with Clerk

HOUSING ELEMENT

STRIKEOVER VERSION

DELETED TEXT IS SHOWN IN ~~STRIKEOVER~~

NEWTEXT IS SHOWN IN *ITALICS*

ALL REFERENCES TO “ACCESSORY DWELLING UNITS” OR “AFFORDABLE SECOND DWELLING UNITS” HAVE BEEN REPLACED BY “SECOND UNITS” TO BE CONSISTENT WITH THE NAME CHANGE AUTHORIZED BY THE BOARD OF SUPERVISORS IN **1998**

ALL PRESENT TENSES THAT ARE, IN FACT, IN THE PAST HAVE BEEN CONVERTED TO PAST TENSE AND DATES HAVE BEEN ADDED FOR CLARIFICATION